

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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**DISTRICT SUMMARY.** Following seasonal trends, business in the Fifth reserve district in July was in less volume than in June, but exceeded that of July last year in nearly all lines. At the end of August conditions in the district appear to be better than at this time last year, fewer unfavorable signs being in evidence. The demand for credit at the commercial banks and at the reserve bank is about the same at present as at this time last year. Prospects for agriculture seem to be better this year than in 1928, with larger yields of nearly all money crops forecast for the several states in the district and prices in most cases that compare favorably with those of 1928. The industries of the Fifth district are operating on more extensive schedules than a year ago, textile mills especially showing improvement in spite of slow movement of textiles to jobbers and retailers. Construction work in the district is in about the same volume as a year ago, and labor is better employed than last summer. Business failures were fewer in July than in any month save one back to the middle of 1926, and liabilities, while higher than in July 1928, were not unduly large. Debits in the banks of leading cities were more than \$100,000,000 larger during the five weeks ended August 14th this year than in the corresponding period last year. Retail trade in July, as reflected in department store sales, was 1.5 per cent greater than in July last year, and the business was done this year with slightly smaller stocks. Wholesale trade in four of five lines for which data are available was ahead of trade in July 1928, the best record made in wholesale lines for many months. On the whole, it would appear from present indications that the purchasing power of the district should be larger in the coming fall and winter than it was a year ago, which should have a favorable influence on fall trade in all lines.

**RESERVE BANK OPERATIONS.** The demand for reserve bank credit in the Fifth reserve district increased slightly between July 15th and August 15th, both this year, chiefly due to the opening of tobacco markets in South Carolina and border counties in North Carolina, and to the marketing of other early agricultural products. The increase was small, rediscounts for member banks held by the Federal Reserve Bank of Richmond rising from \$58,931,000 at the middle of July to \$59,006,000 at the middle of August. Total earning assets of the Richmond bank also increased during the month under review, rising from \$62,191,000 to \$62,992,000. The circulation of Federal reserve notes rose from \$75,250,000 on July 15th to \$78,864,000 on August 15th, but the recent introduction of the new small size currency has made difficult any interpretation of this change. Member bank reserve accounts decreased from \$65,696,000 at the middle of July to \$64,779,000 at the middle of August. The several changes enumerated, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond from \$89,874,000 on July 15th to \$94,419,000 on August 15th, and also raised the ratio of reserves to note and deposit liabilities combined from 62.92 per cent to 63.77 per cent.

On August 15, 1928, rediscounts held by the Federal Reserve Bank of Richmond totaled \$53,442,000, in comparison with \$59,006,000 on August 15th this year, but total earning assets a year ago amounted to \$64,511,000, compared with \$62,992,000 this year, the decrease in total earning assets being due to lower holdings of Government securities and banker's acceptances purchased from member banks and in the open market. Federal reserve notes in actual circulation rose from \$53,544,000 on August 15, 1928, to \$78,864,000 on August 15, 1929, but this increase was probably due in part to the introduction of new currency this year. Member bank reserve deposits, which totaled \$67,690,000 at the middle of August last year, declined to \$64,779,000 on the corresponding date this year. The cash reserves of the Richmond bank rose from \$64,743,000 to \$94,419,000 between the middle of August last year and this, and the ratio of cash reserves to note and deposit liabilities combined rose from 52.39 per cent to 63.77 per cent during the same period.

## CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

| ITEMS   | August 14, 1929 | July 10, 1929 | August 15, 1928 |
|---|-----------------|---------------|-----------------|
| Loans on Stocks and Bonds (including Government)..... | \$201,232,000   | \$200,573,000 | \$187,560,000   |
| All Other Loans and Discounts.....                    | 317,943,000     | 320,190,000   | 331,284,000     |
| Total Loans and Discounts.....                        | 519,175,000     | 520,763,000   | 518,844,000     |
| Total Investments in Bonds and Securities.....        | 158,012,000     | 158,542,000   | 159,790,000     |
| Reserve Balance with Federal Reserve Bank.....        | 39,669,000      | 37,938,000    | 40,285,000      |
| Cash in Vaults.....                                   | 12,326,000      | 14,944,000    | 11,129,000      |
| Net Demand Deposits.....                              | 350,879,000     | 354,942,000   | 354,805,000     |
| Time Deposits.....                                    | 242,923,000     | 242,705,000   | 247,503,000     |
| Borrowed from Federal Reserve Bank.....               | 27,758,000      | 27,513,000    | 26,842,000      |

The accompanying table shows the principal items of condition of sixty-one regularly reporting member banks as of three dates, August 14, 1929, July 10, 1929, and August 15, 1928, thus affording an opportunity for comparing the latest available figures with those of the preceding month this year and the corresponding month last year. It should be understood that the figures shown reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Although there was a slight increase totaling \$659,000 between July 10th and August 14th in loans on stocks and bonds, a decline in other loans amounting to \$2,247,000 reduced the total loans of the reporting banks by \$1,588,000. Total investments in bonds and securities declined last month by \$530,000, but the reporting banks increased their reserve balance at the reserve bank by \$1,731,000. Cash in vault dropped \$2,618,000 between July 10th and August 14th, a rather unseasonal decline, but a change doubtless due to the unusually large amount of cash on hand a month ago in connection with the introduction of the small size currency. Net demand deposits dropped \$4,063,000 during the month under review, but time deposits rose \$218,000. The sixty-one reporting banks slightly increased their borrowing at the reserve bank between July 10th and August 14th, but the increase of \$245,000 was probably a daily fluctuation.

Between August 15, 1928, and August 14, 1929, total loans by the reporting banks changed little, rising by \$331,000. An increase of \$13,672,000 in loans on stocks and bonds exceeded a reduction of \$13,341,000 in other loans, which are chiefly commercial and agricultural. Total investments in bonds and other securities declined \$1,778,000 during the year, and the reporting banks lowered their reserve balance at the reserve bank by \$616,000. Cash in vaults rose \$1,197,000 between August 15th last year and August 14th this year. Deposits declined during the year, net demand deposits decreasing \$3,926,000 and time deposits dropping \$4,580,000. On August 14, 1929, the sixty-one banks were borrowing \$916,000 more from the reserve bank than on August 15, 1928.

### DEBITS TO INDIVIDUAL ACCOUNTS

| CITIES                       | TOTAL DEBITS DURING THE FIVE WEEKS ENDED |                        |                        |
|------------------------------|--|------------------------|------------------------|
|                              | August 14, 1929                          | July 10, 1929          | August 15, 1928        |
| Asheville, N. C.....         | \$ 29,161,000                            | \$ 35,124,000          | \$ 29,733,000          |
| Baltimore, Md.....           | 542,648,000                              | 508,465,000            | 467,198,000            |
| Charleston, S. C.....        | 47,407,000                               | 55,256,000             | 41,608,000             |
| Charlotte, N. C.....         | 61,061,000                               | 64,818,000             | 60,285,000             |
| Columbia, S. C.....          | 24,694,000                               | 25,387,000             | 23,565,000             |
| Cumberland, Md.....          | 12,267,000                               | 13,673,000             | 10,819,000             |
| Danville, Va.....            | 8,576,000                                | 9,298,000              | 9,550,000              |
| Durham, N. C.....            | 33,251,000                               | 34,513,000             | 30,628,000             |
| Greensboro, N. C.....        | 24,814,000                               | 26,546,000             | 24,649,000             |
| Greenville, S. C.....        | 21,602,000                               | 25,687,000             | 21,194,000             |
| Hagerstown, Md.....          | 14,588,000                               | 13,738,000             | 12,204,000             |
| Huntington, W. Va.....       | 25,351,000                               | 26,951,000             | 24,821,000             |
| Lynchburg, Va.....           | 22,088,000                               | 24,025,000             | 21,755,000             |
| Newport News, Va.....        | 12,661,000                               | 12,619,000             | 10,657,000             |
| Norfolk, Va.....             | 69,904,000                               | 71,789,000             | 71,380,000             |
| Portsmouth, Va.....          | 6,325,000                                | 7,646,000              | 6,543,000              |
| Raleigh, N. C.....           | 23,974,000                               | 36,401,000             | 27,820,000             |
| Richmond, Va.....            | 163,020,000                              | 161,121,000            | 143,517,000            |
| Roanoke, Va.....             | 36,508,000                               | 37,524,000             | 32,999,000             |
| Spartanburg, S. C.....       | 13,408,000                               | 15,082,000             | 12,628,000             |
| Washington, D. C.....        | 287,652,000                              | 322,372,000            | 276,588,000            |
| Wilmington, N. C.....        | 15,966,000                               | 20,226,000             | 15,354,000             |
| Winston-Salem, N. C.....     | 40,766,000                               | 50,985,000             | 54,543,000             |
| <b>District Totals</b> ..... | <b>\$1,537,692,000</b>                   | <b>\$1,599,246,000</b> | <b>\$1,430,038,000</b> |

Debits to individual, firm and corporation accounts in the leading trade centers of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of five weeks each, ended August 14, 1929, July 10, 1929, and August 15, 1928. The figures for the latest available five weeks period, ended August 14th, may be compared with those reported for the preceding five weeks ended July 10th this year and with those for the corresponding five weeks ended August 15, 1928. Charleston, S. C., is omitted this month, the local clearing house not having furnished figures for the past two weeks.

Aggregate debits of \$1,537,692,000 in the reporting banks during the five weeks ended August 14th show a seasonal decline of 3.8 per cent under the total of \$1,599,246,000 reported for the preceding like period, ended July 10th, the semi-annual and quarterly payments occurring on and around July 1st increasing debits totals for the period containing that date. The decline, which was somewhat less this year than in most years, was uniformly distributed throughout the district, all of the twenty-three cities reporting lower figures for the later period except Baltimore, Hagerstown, Newport News, and Richmond.

In comparison with total debits aggregating \$1,430,038,000 reported for the five weeks ended August 15, 1928, debits for the five weeks ended August 14th this year totaling \$1,537,692,000 show an increase of \$107,654,000, or 7.5 per cent. Seventeen of the reporting cities show higher figures for the 1929 period, including all of the larger cities except Norfolk, and only six cities show lower 1929 figures.

**SAVINGS DEPOSITS.** Mutual savings banks in Baltimore had time deposits totaling \$189,209,209 at the close of business July 31, 1929, a slightly lower figure than \$190,273,519 on June 30th this year but materially above \$183,584,146 on July 31, 1928. Sixty-one regularly reporting member banks in the Fifth reserve district had time deposits totaling \$242,923,000 on August 14th this year, compared with \$242,705,000 on July 10th and \$247,593,000 on August 15, 1928.

**BUSINESS FAILURES. Dun's Review** for August 10th carried the following analysis of business failures in July 1929: "Only a small numerical change marks the insolvency record for July from that for June, and this also is true of the comparison with the totals for recent preceding years. The liabilities, on the other hand, disclose wider variations. Thus, commercial failures in the United States last month numbered 1,752, which is a slight decline from the 1,767 defaults for June and represents the third consecutive monthly reduction. In April, there had been an unexpected rise in number of insolvencies to above the 2,000-level, but the subsequent trend, in common with the usual experience, has been toward improvement. When the July returns are contrasted with those of the same month in 1928, little alteration in the number of failures appears, for the total in July last year was 1,723. Two years ago, there were 1,756 defaults, so that the number for July of recent years has shown only minor fluctuations. Tending in an opposite direction from the number of insolvencies, last month's indebtedness rose to \$32,425,519, or about 3.5 per cent above the amount for June. With that exception, however, the present aggregate is the smallest for the current year. A year ago, in July, the liabilities were relatively moderate, at \$29,586,633, or something less than 10 per cent under last month's figures. In July of 1927, on the other hand, the indebtedness exceeded \$43,000,000."

In the Fifth Federal reserve district, July 1929 failures numbered 98, compared with 122 insolvencies in July a year ago, but liabilities in July this year totaling \$2,698,274 exceeded last year's total of \$1,838,607. The number of failures in the Fifth district in July was the lowest number for any month since June 1928, and with that exception was the lowest for any month since September 1926, but the July 1929 liabilities were the highest for any month since November 1928.

**EMPLOYMENT.** The demand for labor and the number of available workmen appear to be reasonably balanced in the Fifth district, with most unemployment in clerical circles and the ranks of the unskilled. The industrial plants of the district as a whole are using their full quotas of workers, coal mines are operating at seasonal levels, skilled men in the building trades are nearly all employed, and public work on roads, streets, sewers, etc., is taking care of the usual crew. There is some unemployment in nearly all sections of the district, but it is nowhere exceptionally marked, and most of the people who are involuntarily idle are the older or least efficient workers, the borderline individuals who find steady employment only in periods of labor shortage.

**COAL.** Bituminous coal production in July 1929 totaled approximately 40,635,000 net tons, a larger amount than 38,073,000 tons mined in June this year and 36,276,000 tons in July 1928. Total production during the present calendar year to August 10th (approximately 188 working days) amounted to 307,531,000 net tons, a higher figure than 283,284,000 tons mined during the corresponding period in 1928, but lower than 322,100,000 tons in 1927 and 322,713,000 tons in 1926. West Virginia led all states in production in July, and that state also led in June and May. Retail coal prices were raised in some cities on August 1st, a seasonal increase as the heating approaches. Coal in all grades and sizes is available for prompt delivery from retail yards.

**TEXTILES.** Textile mills in the Fifth reserve district operated seasonably in July, but consumed less cotton than in June, due to a custom of shutting down the mills for a week or ten days to give operatives a vacation, enable mills to overhaul machinery, and, this year, to move surplus stocks which had begun to accumulate in some cases. Fifth district mills consumed 226,714 bales of cotton in July, compared with 243,682 bales in June this year and only 187,601 bales in July 1928. North Carolina mills used 121,629 bales last month, South Carolina mills used 97,697 bales, and Virginia mills 7,388 bales. July 1929 consumption was 41.5 per cent of National consumption, compared with 42.7 per cent of National consumption attained by Fifth district mills in both June 1929 and July 1928. There has been little improvement in demand for textiles in recent weeks, but on the whole our correspondents among textile executives appear to be slightly more optimistic on fall prospects. However, the recent decline in cotton prices has added another handicap to the mills, buyers always operating cautiously on a falling cotton market.

### BUILDING OPERATIONS FOR THE MONTHS OF JULY 1929 AND 1928.

| No.         | CITIES               | Permits Issued |       |         |       | New Construction |              | Alterations |             | Increase or Decrease of Total Valuation | Per Cent of Increase or Decrease | No |
|-------------|----------------------|----------------|-------|---------|-------|------------------|--------------|-------------|-------------|---|----------------------------------|----|
|             |                      | New            |       | Repairs |       | 1929             | 1928         | 1929        | 1928        |   |                                  |    |
|             |                      | 1929           | 1928  | 1929    | 1928  |                  |              |             |             |   |                                  |    |
| 1           | Baltimore, Md.....   | 641            | 332   | 994     | 1,057 | \$ 2,591,040     | \$ 2,827,300 | \$ 477,120  | \$ 768,020  | \$- 527,160                             | - 14.7%                          | 1  |
| 2           | Cumberland, Md....   | 10             | 10    | 6       | 8     | 21,625           | 21,145       | 4,975       | 11,090      | - 5,635                                 | - 17.5                           | 2  |
| 3           | Frederick, Md.....   | 7              | 13    | 3       | 0     | 58,055           | 79,515       | 5,750       | 0           | - 15,710                                | - 19.8                           | 3  |
| 4           | Hagerstown, Md....   | 20             | 28    | 9       | 12    | 60,600           | 44,430       | 17,105      | 29,290      | - 3,985                                 | - 5.4                            | 4  |
| 5           | Danville, Va.....    | 16             | 15    | 14      | 12    | 29,355           | 83,086       | 9,951       | 8,300       | - 52,080                                | - 57.0                           | 5  |
| 6           | Lynchburg, Va.....   | 18             | 19    | 30      | 40    | 65,515           | 27,599       | 20,405      | 46,775      | 11,546                                  | 15.5                             | 6  |
| 7           | Norfolk, Va.....     | 58             | 100   | 62      | 124   | 241,440          | 221,425      | 27,120      | 39,375      | 7,760                                   | 3.0                              | 7  |
| 8           | Petersburg, Va....   | 2              | 4     | 10      | 3     | 3,800            | 19,500       | 2,552       | 925         | - 14,073                                | - 68.9                           | 8  |
| 9           | Portsmouth, Va....   | 13             | 14    | 22      | 29    | 22,150           | 12,590       | 10,425      | 16,815      | 3,170                                   | 10.8                             | 9  |
| 10          | Richmond, Va.....    | 92             | 80    | 75      | 102   | 324,269          | 448,500      | 146,801     | 142,918     | - 120,348                               | - 20.3                           | 10 |
| 11          | Roanoke, Va.....     | 44             | 49    | 17      | 30    | 213,835          | 217,587      | 3,455       | 7,406       | - 7,703                                 | - 3.4                            | 11 |
| 12          | Bluefield, W. Va..   | 5              | 7     | 2       | 2     | 3,460            | 5,675        | 125         | 1,200       | - 3,290                                 | - 47.9                           | 12 |
| 13          | Charleston, W. Va.   | 61             | 38    | 23      | 14    | 119,920          | 64,896       | 110,975     | 26,740      | 139,259                                 | 152.0                            | 13 |
| 14          | Clarksburg, W. Va.   | .....          | ..... | .....   | ..... | .....            | .....        | .....       | .....       | .....                                   | .....                            | 14 |
| 15          | Huntington, W. Va.   | 37             | 41    | 6       | 4     | 178,860          | 51,450       | 9,500       | 2,025       | 134,885                                 | 252.2                            | 15 |
| 16          | Parkersburg, W. Va.  | 17             | 18    | 9       | 9     | 38,675           | 51,700       | 3,050       | 9,300       | - 19,275                                | - 31.6                           | 16 |
| 17          | Asheville, N. C..... | 8              | 19    | 33      | 58    | 665,447          | 164,216      | 7,177       | 11,475      | 496,933                                 | 282.8                            | 17 |
| 18          | Charlotte, N. C....  | 43             | 58    | 65      | 30    | 200,048          | 709,469      | 39,392      | 46,250      | - 516,279                               | - 68.3                           | 18 |
| 19          | Durham, N. C.....    | 13             | 42    | 10      | 8     | 363,450          | 276,448      | 7,365       | 26,825      | 67,542                                  | 22.3                             | 19 |
| 20          | Greensboro, N. C..   | 21             | 54    | 26      | 44    | 98,095           | 484,920      | 18,298      | 25,380      | - 393,907                               | - 77.2                           | 20 |
| 21          | High Point, N. C...  | 20             | 43    | 4       | 7     | 61,675           | 192,050      | 1,675       | 2,235       | - 130,935                               | - 67.4                           | 21 |
| 22          | Raleigh, N. C.....   | 17             | 29    | 24      | 14    | 39,905           | 145,205      | 5,950       | 15,325      | - 114,675                               | - 71.4                           | 22 |
| 23          | Rocky Mount, N.C.    | 12             | 9     | 2       | 5     | 26,110           | 26,735       | 800         | 8,400       | - 8,225                                 | - 23.4                           | 23 |
| 24          | Salisbury, N. C....  | 4              | 15    | 2       | 3     | 13,300           | 52,775       | 2,000       | 3,275       | - 40,750                                | - 72.7                           | 24 |
| 25          | Wilmington, N. C..   | 12             | 12    | 13      | 10    | 38,800           | 95,600       | 11,200      | 7,250       | - 52,850                                | - 51.4                           | 25 |
| 26          | Winston-Salem, N. C. | 57             | 77    | 68      | 112   | 227,595          | 323,760      | 21,510      | 88,337      | - 162,992                               | - 39.6                           | 26 |
| 27          | Charleston, S. C...  | 25             | 2     | 35      | 29    | 44,826           | 1,530        | 5,735       | 7,935       | 41,096                                  | 434.2                            | 27 |
| 28          | Columbia, S. C.....  | 35             | 17    | 47      | 42    | 109,600          | 148,700      | 25,715      | 20,875      | - 34,260                                | - 20.2                           | 28 |
| 29          | Greenville, S. C...  | 11             | 12    | 32      | 38    | 118,490          | 129,100      | 13,610      | 16,800      | - 13,800                                | - 9.5                            | 29 |
| 30          | Rock Hill, S. C....  | 3              | 10    | 10      | 11    | 16,500           | 15,850       | 11,840      | 5,425       | 7,065                                   | 33.2                             | 30 |
| 31          | Spartanburg, S. C.   | 22             | 19    | 12      | 16    | 18,615           | 58,590       | 22,625      | 7,090       | - 24,440                                | - 37.2                           | 31 |
| 32          | Washington, D. C.    | 202            | 145   | 284     | 439   | 4,769,845        | 4,043,700    | 358,770     | 400,265     | 684,650                                 | 15.4                             | 32 |
| Totals..... |                      | 1,546          | 1,331 | 1,949   | 2,312 | \$10,784,900     | \$11,045,046 | \$1,402,971 | \$1,803,321 | \$- 660,496                             | - 5.1%                           |    |

— Denotes decrease.

NOTE—The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

Building operations provided for in permits issued in the Fifth reserve district in July were slightly below those provided for in July last year. Building inspectors in thirty-one cities issued 1,546 permits for new construction in July this year, compared with only 1,331 permits for similar work issued in July 1928, but last month's valuation totaled only \$10,784,900, compared with \$11,045,046 in the same month last year. Permits for alteration and repairs numbered 1,949 last month, with estimated valuation of \$1,402,971, compared with 2,312 permits and a total valuation of \$1,803,321 in July 1928. Total estimated valuation for all classes of permits issued last month was \$12,187,871, a decrease of \$660,496, or 5.1 per cent, under the total of \$12,848,367 for July 1928. Of the thirty-one reporting cities, only eleven showed higher valuation figures in July this year, while twenty cities reported lower figures. Charleston, S. C., showed the largest percentage increase in valuation, but this was due to exceptionally low 1928 figures rather than to large totals this year. Asheville, with an increase of 282.8 per cent, really showed the best gain in valuation, but that city declined in the number of projects. Washington, with total valuation of \$5,128,615, was far ahead of Baltimore, the second ranking city last month.

Contracts awarded in July for construction work in the Fifth district, including both rural and urban projects, totaled \$51,363,635, compared with \$32,884,428 awarded in July 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in July this year, \$10,303,375 was for residential work, a smaller percentage of the total awards than usual.

**COTTON.** Spot cotton prices on Southern markets declined steadily during the past four weeks, falling approximately 1.25 cents per pound, or more than \$6 a bale, between July 19th and August 16th. The decline began in the last week of July as a result of favorable weather for cotton growing. On August 8th the Department of Agriculture's first condition report of the year indicated a probability of a considerably larger crop than that of 1928 and prices slumped still lower. From an average price of 18.86 cents per pound paid growers for upland middling cotton on July 19th, the price dropped steadily to an average of 17.44 cents per pound on August 16th, the latest date for which figures are available.

The first condition report of the year, issued by the Department of Agriculture on August 8th, estimated probable production in 1929 at 15,543,000 bales, based upon an August 1st condition of 69.6 per cent on 48,457,000 acres in cultivation. The condition of the crop on August 1st this year was approximately 2 points above the August 1, 1928, condition, and this year's acreage is about 1,500,000 acres larger than that of last year. The estimate of 15,543,000 bales for the 1929 crop, compared with 14,478,000 bales produced in 1928, was higher than the trade expected and cotton prices dropped approximately a cent a pound, or \$5 per bale.

Cotton consumption in American mills in July was seasonally below consumption in June, but exceeded consumption in July 1928 by 24 per cent. The Bureau of the Census reported 546,457 bales of lint consumed last month, compared with 570,281 bales used in June this year and 439,821 bales in July 1928. Total consumption for the cotton year ended July 31st this year amounted to 7,098,946 bales, compared with 6,834,063 bales consumed during the corresponding period ended July 31, 1928. Cotton on hand at manufacturing establishments on July 31st this year totaled 1,051,535 bales, compared with 1,289,294 bales held on June 30th this year and 1,011,521 bales held on July 31st last year. Bales in public warehouses and compresses numbered 986,439 at the end of July, 1,375,728 bales at the end of June, and 1,189,751 bales on July 31, 1928. Exports of cotton totaled 237,506 bales in July, compared with 331,452 bales sent abroad in July last year, and exports during the cotton year totaled 8,043,587 bales, compared with 7,539,945 bales exported in the year ended July 31, 1928. Imports last month totaled 21,369 bales, compared with 18,473 bales imported in July 1928, while total imports for the cotton year just closed totaled 457,804 bales, compared with 338,226 bales brought in during the previous year. Consumption of cotton in the growing states totaled 409,057 bales in July, compared with 332,724 bales used in July last year. Last month's consumption in the cotton growing states amounted to 74.9 per cent of National consumption, compared with 75.6 per cent of National consumption reported for the cotton growing states in July last year.

Cotton improved distinctly during July and early August in the Fifth district, and on August 1st the Department of Agriculture estimated probable production in Virginia and the two Carolinas combined as 1,742,000 bales, compared with 1,606,000 bales ginned from the 1928 crop. Virginia's probable production for 1929 is 46,000 bales, compared with 44,000 bales last year. North Carolina is expected to grow 787,000 bales, compared with 836,000 bales in 1928. South Carolina's crop this year is forecast at 909,000 bales, compared with 726,000 bales for the previous year. The weevil is widely scattered in the Carolinas, and the yields now indicated may or may not be realized. The weather in North Carolina has been too wet, which was favorable for weevil damage. In the heavy producing counties of Piedmont South Carolina dry weather in July and early August checked weevil damage, but at the middle of August some of these counties needed general rains. The crop is somewhat later than the past five year average, but is earlier than last year's crop except in some storm swept sections of South Carolina in which cotton had to be replanted.

**TOBACCO.** Tobacco markets in the South Carolina belt, which includes all South Carolina markets and some border ones in North Carolina, opened on July 30th, a week earlier than in 1928. Prices on the opening day were better than those of last year for similar grades, and on the whole this year's tobacco is of better quality. Since the opening of the market prices have not held the high average of the opening day, and considerable dissatisfaction has been shown by the growers with the trend. The South Carolina crop is estimated at 93,978,000 pounds, the highest figure on record, compared with 82,288,000 pounds grown in 1928. North Carolina tobacco is expected to yield 493,938,000 pounds this year, in comparison with 499,608,000 pounds in 1928. Virginia's crop is estimated at 126,463,000 pounds, compared with 104,894,000 pounds last year. West Virginia expects to produce 7,150,000 pounds of tobacco in 1929, compared with 6,581,000 pounds grown in 1928. In all Fifth district states weather has been favorable for tobacco growing and curing except in West Virginia, where much tobacco had to be reset and was then retarded by warm, dry weather.

**AGRICULTURAL NOTES.** Maryland crops were being affected materially by dry weather in the middle of August. Peaches were not sizing up as expected, and in some sections of the peach belt a moth was doing considerable damage. The apple crop is about equal to last year's. Cantaloupe growers on the Eastern Shore of Maryland have been troubled with mildew, which in many instances has caused vines to go to pieces before the fruit was matured, thus affecting the quality of the melons. Wheat yielded somewhat better than had been expected, but on the whole the crop was disappointing. There is every indication of a large crop of tomatoes, and prospects for the corn crop are on the whole encouraging. **Virginia** crops declined slightly during July as a result of unfavorable weather conditions. The first half of the month was too wet and the last half too dry, except in the Western and Southwestern districts. As is usually the case following wet weather, crops were unable to withstand the dry spell without suffering considerable damage. August is usually the important month in the growth of such crops as corn, tobacco, peanuts and cotton, so weather conditions during the next two weeks will largely determine the yield of these crops. Threshing reports show that the wheat crop yielded very poorly. The crop was injured by rust and other diseases which developed during the wet weather, and the quality was poorer than usual. The total production is estimated to be 9,126,000 bushels, compared with 9,758,000 bushels last year. Corn prospects declined during July, the crop being damaged by hot, dry weather when most of the corn was just beginning to ear. The August 1st condition indicates a production of 41,714,000 bushels, compared with 44,715,000 bushels harvested last year. Most of the hay crop was harvested in July and yields were very good. The growth of alfalfa was retarded by dry weather during the latter part of July, so the third cutting will not be as heavy as the first two. The early potato crop yielded better than has been expected, but total shipments for the season will be only about 20,500 cars in comparison with 27,307 cars shipped in 1928. However, the average price was nearly three times the price received for the 1928 crop, so the value of the 1929 crops was considerably greater than last year's crop. The condition of the late potato crop declined as the hot, dry weather was unfavorable. The Virginia sweet potato promises an average yield. The crop is slightly earlier than last year, and commercial shipments in car lots have commenced. Fruit prospects declined slightly in July. There is little change in the apple forecast, but peach production will not be as great as was expected, due to damage from the Oriental Peach Moth and also due to smaller size of the fruit. The total apple production is estimated at 12,974,000 bushels, against 16,100,000 bushels last year. **West Virginia** crops declined in July, due to high temperatures and lack of rain in the state. Dry weather was especially harmful in the Northern half of the state. Corn prospects indicate a probable yield of 14,867,000 bushels this year, compared with 16,524,000 bushels last year. Wheat yields were about average, and the estimate of 1,862,000 bushels this year compares favorably with 1,586,000 bushels harvested in 1928. Oats improved in July, the warm, dry weather at the ripening stage helping the yield. Estimated production of oats totaling 5,164,000 bushels this year is below the 1928 yield of 5,712,000 bushels, but is higher than the five year average of 4,885,000 bushels. The condition of potatoes declined 4 per cent in July, and the yield is forecast at only 5,694,000 bushels, compared with 7,500,000 bushels harvested in 1928. The sweet potato condition indicates a production of 213,000 bushels against 204,000 bushels last year. Hay crops benefited by warm, dry weather, but the indicated production of 1,131,000 tons is less than 1,182,000 tons cut and cured in 1928. All fruit crops except grapes suffered from lack of rain last month and this condition affected the size and quality of the fruit. An apple crop of 6,004,000 bushels was indicated by the August 1st condition, compared with 8,750,000 bushels harvested in 1928, and the peach crop of 581,000 bushels compares unfavorably with 810,000 bushels last year. **North Carolina** crops improved distinctly in July. Although the seasons since April have been abnormally wet, crops suffered less than was expected. Hay and grass crops are excellent, but the production of hay depends largely on favorable weather for curing. The yield is expected to be 843,000 tons, compared with 794,000 tons in 1928. The corn crop is very good in most counties, and is expected to yield 45,400,000 bushels, in comparison with 42,642,000 bushels last year. The weather in July was rather unfavorable for peanuts, but the August 1st condition indicated a probable production of 214,320,000 pounds, compared with 199,500,000 pounds in 1928. The fruit crop in North Carolina is short, and peaches are also very poor in quality. Apples are bringing good prices, but the wormy condition of peaches has kept the price low. The potato crop was larger than the 1928 crop, and brought better prices. **South Carolina** crop prospects are better than a year ago and somewhat above the ten-year average. Compared with a rather short crop harvested in 1928, the indications are for increases of about 25 per cent in production of cotton and 28 per cent in corn. Tobacco and sweet potatoes also show increases of 14 per cent and 8 per cent, respectively, but the prospects for hay, due to a reduction in acreage and slightly lower condition, are for a crop about 27 per cent below the large crop harvested last year. All tree fruit crops are very short. The wheat crop yielded better than last year, and a yield of oats totaling 11,016,000 bushels was far above 7,751,000 bushels harvested in 1928.

## FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty-One Representative Department Stores for the Month of July 1929

| Percentage increase in July 1929 sales, over sales in July 1928:   | <i>Baltimore</i> | <i>Richmond</i> | <i>Washington</i> | <i>Other Cities</i> | <i>District</i> |
|--|------------------|-----------------|-------------------|---------------------|-----------------|
|  | 4.6              | 4.9             | — .6              | — 4.5               | 1.5             |
| Percentage increase in total sales since January 1st, over sales during the first seven months of 1928:        | 2.4              | 3.7             | 4.3               | — 3.6               | 2.6             |
| Percentage increase in July 1929 sales over average July sales during the three years 1923-1925, inclusive:    | 1.6              | 13.8            | 15.3              | —10.2               | 6.5             |
| Percentage increase in stock on hand July 31, 1929, over stock on July 31, 1928:                               | — 5.3            | 2.9             | 3.0               | — 7.8               | — 1.9           |
| Percentage increase in stock on hand July 31, 1929, over stock on June 30, 1929:                               | — 5.9            | — 3.7           | — 7.2             | — 6.3               | — 6.2           |
| Percentage of sales in July 1929 to average stock carried during that month:                                   | 22.2             | 24.4            | 23.1              | 17.3                | 22.1            |
| Percentage of total sales since January 1st, to average stock carried during each of the seven elapsed months: | 186.6            | 203.8           | 196.8             | 138.3               | 185.5           |
| Percentage of collections in July 1929, to total accounts receivable on July 1st:                              | 25.8             | 31.6            | 30.9              | 27.6                | 28.2            |

— Denotes decreased percentage.

Thirty-one leading department stores in the Fifth Federal reserve district sold an average of 1.5 per cent more goods, measured in dollars, in July 1929 than in July 1928, chiefly because of increases in Richmond and Baltimore. Average sales in Washington and Other Cities stores were lower in July this year. Cumulative sales since January 1st this year exceeded sales in the first seven months of 1928 by 2.6 per cent, and July 1929 sales also exceeded average July sales for the three years 1923-1925, inclusive, by 6.5 per cent.

Stocks on the shelves of the thirty-one reporting stores at the end of July this year averaged 6.2 per cent less than stocks on hand on June 30th this year and 1.9 per cent less than on July 31, 1928, the decrease during the past month being seasonal. Stock turnover last month was slightly more rapid than in July 1928, sales averaging 22.1 per cent of stock on hand during the month in comparison with 21.2 per cent of stock sold in July a year ago. Total sales since January 1st through July this year amounted to 185.5 per cent of average stock carried during each of the seven elapsed months, indicating an annual turnover of 3.18 times in comparison with a rate of 3.02 times for the corresponding period of 1928.

Collections in thirty of the thirty-one stores during July totaled 28.2 per cent of receivables outstanding on July 1st, an improvement over 27.3 per cent of outstanding receivables collected in July last year. Stores in Baltimore and Richmond reported higher collection percentages in July this year, but Washington stores and those in the Other Cities averaged lower percentages.

## WHOLESALE TRADE, JULY 1929

| Percentage increase in July 1929 sales, compared with sales in July 1928:  | <i>28 Groceries</i> | <i>10 Dry Goods</i> | <i>5 Shoes</i> | <i>14 Hardware</i> | <i>12 Drugs</i> |
|--|---------------------|---------------------|----------------|--------------------|-----------------|
|  | 2.9                 | — .4                | 16.2           | 7.1                | 2.1             |
| Percentage increase in July 1929 sales, compared with sales in June 1929:  | 5.7                 | — .3                | 44.1           | 9.1                | 6.9             |
| Percentage increase in total sales since January 1, 1929, compared with sales in the first seven months of 1928: | — 3.4               | — 7.4               | — 5.3          | — 3.6              | .8              |
| Percentage increase in stock on July 31, 1929, compared with stock on July 31, 1928:                             | — 1.0(11*)          | —16.8(4*)           | —17.9(4*)      | — 1.7(7*)          | .....           |
| Percentage increase in stock on July 31, 1929, compared with stock on June 30, 1929:                             | — 3.7(11*)          | 2.7(4*)             | 4.3(4*)        | 4.2(7*)            | .....           |
| Percentage of collections in July to total accounts receivable on July 1, 1929:                                  | 63.7(18*)           | 32.7(7*)            | 24.1(5*)       | 32.9(11*)          | 61.4(9*)        |

— Denotes decreased percentage.

\* Number of reporting firms.

Trade in leading wholesale lines in July was generally better in the Fifth district than for several months. Part of the increase was seasonal, but the gain in business over that of July 1928 represented an actual increase in demand for merchandise. Sales in July 1929 exceeded sales in June this year and also in July 1928 in groceries, shoes, hardware and drugs, but fell slightly below sales in the earlier months in dry goods. Last month's increased business was not sufficient to balance a reduced volume of trade earlier in the year, however, and therefore total sales from January 1st through July this year were less than total sales in the first seven months of 1928 in groceries, dry goods, shoes and hardware. Drug sales so far this year slightly exceed drug sales during the corresponding period of last year.

Stocks of goods on the shelves of the reporting wholesalers and jobbers at the end of July 1929 were seasonally larger than stocks a month earlier in dry goods, shoe and hardware lines, but there was a decline in grocery stocks during the month. In comparison with stocks on hand on July 31, 1928, those on hand at the end of July this year were lower in all four lines for which information is available.

The percentage of collections in July to accounts receivable on July 1st were higher this year than last in all lines, groceries leading with 63.7 per cent and drugs ranking second with 61.4 per cent. The improvement in collections this year is due at least in part to close examination of requests from retailers for credit.

(Compiled August 21, 1929)

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## BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial production decreased slightly during July, but continued at a higher level than in other recent years. Wholesale commodity prices increased further during the month, reflecting chiefly higher prices of agricultural products. Loans for commercial and agricultural purposes by reporting member banks increased during July and the first half of August.

**PRODUCTION**—Output of manufactures decreased in July, while mineral production increased. Average daily output of automobiles, copper, tin, zinc, and cotton and wool textiles decreased and there was a small decline in the production of iron and steel. In all of these industries, however, output was larger than in the same month in earlier years. Activity increased during July in silk and shoe factories and in meat packing plants, and there was also a larger output of bituminous coal and crude petroleum than in June. Reports for the first half of August indicate sustained activity in the iron and steel and automobile industries, and a further increase in the output of coal and petroleum. Employment in manufacturing industries decreased in July by less than one per cent while a somewhat greater decrease in payrolls was reported. At this level, factory employment and payrolls, as in earlier months, were larger than in any other year since 1926. The value of construction contracts awarded in July was higher than in the preceding month or in July 1928, reflecting chiefly a sharp increase in contracts for public works and utilities. For the first half of August, however, total contracts declined to a level below the corresponding period a year ago. The August estimate of the Department of Agriculture indicates a wheat crop of 774,000,000 bushels, slightly below the five year average, and 128,000,000 bushels below last year's production, and a corn crop approximately equal to the five year average crop and about 100,000,000 bushels smaller than in 1928. The cotton crop is estimated at 15,543,000 bales, 7 per cent larger than last year.

**DISTRIBUTION**—Freight car loadings increased seasonally during July and the first two weeks of August, reflecting chiefly increased loadings of coal, grain and ore, while shipments of miscellaneous freight continued in about the same volume as in June. Sales of department stores declined seasonally from June and on a daily basis were about the same as in July a year ago.

**PRICES**—Wholesale prices in July continued the rise which began in June, according to the index of the Bureau of Labor Statistics, reflecting chiefly higher prices for farm products and their manufactures, particularly livestock and meats, grains, flour, and potatoes. Prices of hides and leather also increased. Wool, rayon, and textile products declined slightly in price. There was a marked advance in the price of sugar and rubber prices also rose somewhat. Prices of petroleum and gasoline declined and prices of iron and steel were somewhat lower. During the first three weeks in August there were declines in the prices of cotton, petroleum, beef, sugar, oats, rubber and tin, and marked fluctuations in prices of pork and wheat.

**BANK CREDIT**—Loans for commercial purposes by reporting member banks increased to new high levels during the four weeks ending August 14th, while security loans, after increasing further during the latter part of July, declined during the first two weeks in August. Member bank borrowing at the reserve banks averaged \$45,000,000 less during the week ending August 17th than in the week ending July 20th, reflecting increased sales of acceptances to the reserve banks and further imports of gold. Open market rates on call and time loans on securities were firmer during the last half of July and for the first week of August. During the second week of August rates on call loans declined while rates on commercial paper in the open market advanced from 6 to 6¼ per cent. On August 8th the discount rate of the Federal Reserve Bank of New York was increased from 5 to 6 per cent, and the buying rate on bankers' acceptances was reduced from 5¼ to the market rate of 5½ per cent.